

TO: Governance and Audit Committee
24th March 2021

Anti Money Laundering Policy
Head of Audit and Risk Management

1 Purpose of Report

1.1 This report presents the Anti Money Laundering Policy.

2 Recommendations

2.1 To approve the updated Anti Money Laundering Policy.

3 Reasons for Recommendations

3.1 The policy has been reviewed and updated to ensure it is still fit for purpose.

4 Alternative Options Considered

4.1 There are no alternatives.

5 Supporting Information

5.1 Money Laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. Whilst Local Authorities are not directly covered by the requirements of the Money Laundering Regulations 2017, guidance from finance and legal professions, including the Chartered Institute of Public Finance and Accounting (CIPFA), indicates that public service organisations should comply with the underlying spirit of the legislation and regulations. It is recommended they put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

5.2 The Council's Anti Money Laundering Policy was last updated in 2014. This has now been reviewed and updated to ensure it is still fit for purpose. The key changes made to the current version were to incorporate the sections on customer due diligence and record keeping and the reporting template which were previously included separately in the Anti Money Laundering supporting guidance notes.

6 Consultation and Other Considerations

Legal Advice

6.1 The main offences relating to money laundering established by Part 7 (sections 327-329) of Proceeds of Crime Act 2002 (the POCA) are: ·

- Concealing, disguising, converting, transferring or removing criminal property from the UK (S.327 POCA). Concealing is where someone knows or suspects a case of money laundering, but conceals or disguises its existence
- Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property (S.328 POCA) ·
- Acquiring, using or possessing criminal property (S.329 POCA).

Other offences under POCA are: ·

- Failure to disclose money laundering offences (s.330-332) ·
- Tipping off a suspect, either directly or indirectly (s.333) ·

- Doing something that might prejudice an investigation (s.342)

All of the above money laundering offences may be committed by an organisation or by the individuals working for it if they suspect money laundering and either become involved with it in some way and/or do nothing about it. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer (MLRO).

Financial Advice

- 6.2 There are no financial implications arising from the report since it is proposing only minor changes to a previously existing policy.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 Local authorities can become unwittingly involved in the money laundering process via contacts who are carrying out apparently normal transactions, if the money, property or other assets they bring to the transactions are the proceeds of crime and hence policies and procedures are required to respond to such cases and address this risk.

Background Papers

Chartered Institute of Public Finance and Accountancy (CIPFA) guidance for Local Authorities on Money Laundering.

Contact for further information

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